

Message Text

LIMITED OFFICIAL USE

PAGE 01 SANTIA 05171 272153Z

64

ACTION ABF-01

INFO OCT-01 ARA-16 ISO-00 FS-01 OPR-02 A-01 INT-08 AID-20

CIAE-00 COME-00 EB-11 FRB-03 INR-11 NSAE-00 TRSE-00

XMB-07 OPIC-12 SP-03 CIEP-03 LAB-06 SIL-01 OMB-01

/108 W

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R 272137Z AGAUG 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 9992

LIMITED OFFICIAL USE SANTIAGO 5171

EO 11652: N/A

TAGS: EFIN, AFSP, CI

SUBJECT: DEVALUATION OF EXCHANGE RATE

REF: SANTIAGO 4831

1. EFFECTIVE AUGUST 27 CENTRAL BANK DEVALUED BANKERS RATE FROM 900 TO 930 ESCUDOS PER DOLLAR AND BROKERS RATE FROM 970 TO 990 ESCUDOS PER DOLLAR.
 2. DEVALUATION IS 3.3 PERCENT FOR BANKERS RATE AND 2.1 PERCENT FOR BROKERS RATE; NOMINAL DIFFERENCE BETWEEN TWO IS NOW 6.5 PERCENT.
 3. COMMENT: FOR PAST FEW MONTHS BLACK MARKET RATE HAS BEEN CONSISTENTLY 15 TO 20 PERCENT ABOVE NOMINAL BROKERS RATE AND ABOUT 1 TO 5 PERCENT ABOVE EFFECTIVE RATE INCLUDING TAXES AND COMMISSIONS. ALTHOUGH BLACK MARKET RATE NOT NECESSARILY DIRECTLY RELATED TO REALISTIC VALUE OF ESCUDO, CONSENSUS OF BANKER CONTACTS IS THAT ESCUDO NOW OVERVALUED BY ABOUT 10 PERCENT.
- POPPER

LIMITED OFFICIAL USE

NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVALUATIONS, ESCUDO, FOREIGN EXCHANGE RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 27 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: martinml
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Errors: n/a
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From: SANTIAGO
Handling Restrictions: n/a
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Original Handling Restrictions: n/a
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Reference: SANTIAGO 4831
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Review Authority: martinml
Review Comment: n/a
Review Content Flags:
Review Date: 10 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 SEP 2002 by boyleja>; APPROVED <26 FEB 2003 by martinml>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> mcm 971031
Subject: DEVALUATION OF EXCHANGE RATE
TAGS: EFIN, CI, AFSP
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005